

Message Text

PAGE 01 OTTAWA 03736 02 OF 04 170010Z

67

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEQ-01 CIAE-00 ERDA-05 COME-00

DODE-00 EB-07 EPA-01 INR-07 IO-13 L-03 NSF-01 NSC-05

NSAE-00 PM-04 USIA-06 OES-06 SS-15 SP-02 INT-05 FEA-01

PA-01 PRS-01 /102 W

----- 031566

P 162216Z SEP 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 1078

LIMITED OFFICIAL USE SECTION 2 OF 4 OTTAWA 3736

24. PERFORMANCE UNDER THE GREAT LAKES WATER QUALITY AGREEMENT HAS ALSO RAISED SEVERAL OTHER INTERESTING ISSUES. WHILE IT IS TRUE THAT WE HAVE LAGGED IN THE U.S. ON SOME ASPECTS, IT IS ALSO TRUE THAT AS AN END RESULT WE HAVE DEVELOPED A STRONGER SYSTEM TO DEAL WITH MANY OF THE ENVIRONMENTAL PROBLEMS. FOR EXAMPLE, PART OF THE DELAY WAS AS A RESULT OF THE ADJUSTMENT REQUIRED WITH THE PASSAGE OF THE FEDERAL WATER POLLUTION CONTROL ACT OF 1972. BUT WHEN THAT ADJUSTMENT WAS OVER, WE EMERGED WITH A PERMIT SYSTEM WHICH REQUIRES UNDER LAW THAT, E.G., INDUSTRY MEET CERTAIN STANDARDS BEFORE IT MAY DISCHARGE WASTES. ALONG WITH THE PERMIT SYSTEM IS A STRONG ENFORCEMENT SYSTEM. ON THE CANADIAN SIDE THERE IS NO PERMIT REQUIREMENT AND FREQUENTLY THE GOVERNMENT MUST NEGOTIATE WITH INDUSTRY TO TRY TO OBTAIN INDUSTRY COMPLAINT.

25. WE CAN ALREADY SEE THE FIRST RESULTS OF THIS ENORMOUS EFFORT. IN 1975 WATER QUALITY, AS BEST WE CAN INDEX SHOWED NO SIGNIFICANT DETERIORATION.

26. BUT IT IS STILL TOO EARLY TO PREDICT A SIGNIFICANT IMPROVEMENT, EVEN WHEN ALL THE TREATMENT FACILITIES
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 OTTAWA 03736 02 OF 04 170010Z

ARE IN PLACE. ALL THE PHOSPHATES, ONE OF THE PRINCIPAL CONTAMINATES IN THE LAKES, CONTINUE TO CREATE A MAJOR PROBLEM. ON OUR SIDE OF THE BORDER WE ARE HAVING LESS SUCCESS THAN WE HOPED IN REMOVING PHOSPHATES THROUGH

MUNICIPAL WASTE TREATMENT. CANADA'S LIMITATIONS ON PHOSPHATES IN DETERGENTS DOES NOT APPEAR TO HAVE BEEN ENTIRELY SUCCESSFUL EITHER, AND AMERICANS CONTINUE TO WORRY ABOUT WHETHER THE CURE (THE PHOSPHATE SUBSTITUTES) AREN'T AS BAD AS THE DISEASE. BUT BECAUSE THE PROBLEM IS SO SEVERE, WE ARE AGAIN REVIEWING THE EVIDENCE ON THE HEALTH EFFECTS OF PHOSPHATE SUBSTITUTES TO SEE WHETHER WE CAN'T ALSO IMPOSE A PHOSPHATE BAN. IF WE GO THIS ROUTE, PROBABLY BOTH COUNTRIES WILL NEED TO HAVE MUCH TIGHTER BANS THAN HERETOFORE.

27. EQUALLY WORRISOME, IT NOW APPEARS THAT A SIGNIFICANT PART OF THE GREAT LAKES PHOSPHOROUS PROBLEMS MAY BE AIRBORNE FERTILIZERS FROM ALL OVER THE CENTRAL STATES AND CANADA.

28. A NEW MAJOR SOURCE OF POLLUTION REACHING CRISIS PORTIONS IN THE LAKES IS MODERN ELECTRIC CIRCUITRY. WE WERE NOT EVEN AWARE OF IT A FEW YEARS AGO. PCB'S -- POLYCHLORINATED BIPHENYLS ARE USED IN THE MANUFACTURE OF ELECTRICAL CAPACITORS, TRANSISTORS, PLASTICS. WE ARE NOW FINDING THAT PCB'S COULD BE A CANCER-CAUSING AGENT. CANADA ALREADY HAS ITS ENVIRONMENTAL CONTAMINANTS ACT TO REGULATE PCB'S AND OUR TOXIC SUBSTANCES ACT IS NOW IN THE LEGISLATIVE PROCESS. HOWEVER, WE WILL NEED PARALLEL STRATEGIES IN PROCEEDING TO REMOVE PCB'S FROM MANUFACTURING AND ULTIMATELY FROM OUR WATER.

29. THUS, EVEN WITH THE COMPLETION WE CAN NOW CONFIDENTLY EXPECT OF ALL THE MUNICIPAL WASTE FACILITIES REQUIRED BY THE WATER QUALITY AGREEMENT, THE STRUGGLE TO CLEAR UP THE GREAT LAKES IS ONLY BEGINNING.

30. COASTAL AND OFFSHORE POLLUTION IS A SECOND AREA OF CONCERN. AFTER THE EXPERIENCE OF THE LAST YEARS, THERE IS NO COASTAL COMMUNITY THAT DOES NOT FEAR AN OIL SPILL, FEW THAT HAVE NOT SUFFERED FROM OTHER CONTAMINATION OF THE SEAS FROM ONSHORE OR FROM SHIPS.

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 OTTAWA 03736 02 OF 04 170010Z

31. WE BOTH ARE BEGINNING TO ARM AGAINST THESE THREATS. THERE IS A WIDENING INTERNATIONAL CONSENSUS, WHICH WE EXPECT THE LAW OF THE SEA TREATY TO NAIL DOWN, THAT COASTAL STATES MUST TAKE RESPONSIBILITY FOR CONTROLLING POLLUTION OFF THEIR SHORES. (NEED DETAILS HOW FAR THIS GOES OUT.) YOUR NEW OCEAN DUMPING ACT AND OUR COASTAL ZONE MANAGEMENT ACT GIVE US BOTH AUTHORITY TO ACT. SOME MINIMAL STANDARDS HAVE BEEN SET IN THE INTERNATIONAL OCEAN DUMPING CONVENTION, BUT THEY ARE NOT HIGH ENOUGH AND SHOULD BE RAISED.

32. AS FOR VESSEL SOURCE POLLUTION, THE RIGHT WAY TO CONTROL

IT IS THROUGH UNIVERSALLY ACCEPTED STANDARDS ESTABLISHED IN THE LAW OF THE SEA TREATY. BUT WE CAN'T WAIT FOR THEM TO BE CONCLUDED. BOTH THE UNITED STATES AND CANADA HAVE MOVED VIGOROUSLY TO MINIMIZE POTENTIAL DAMAGE FROM GROWING TANKER TRAFFIC ON THE PACIFIC COAST. (WHAT HAS CANADA DONE?) TANKER ROUTES TO AND FROM ALASKA HAVE BEEN MOVED OUT FROM THE COAST TO LESSEN RISK. AN ADVANCED LORAN C NETWORK IS BEING BUILT TO ASSURE HIGH PRECISION NAVIGATION. CANADIAN CITIZENS, IN AN UNPRECEDENTED MOVE, WERE GRANTED ACCESS TO THE \$100,000,000 U.S. CONTINGENCY FUND IN CASE AN ACCIDENT SHOULD OCCUR DURING THE TRANSPORTATION OF OIL FROM ALASKA TO THE U.S. A VESSEL TRAFFIC SEPARATION SCHEME HAS BEEN ESTABLISHED IN JUAN DE FUCA STRAIT TO PREVENT COLLISIONS. A JOINT US-CANADA OIL SPILL CONTINGENCY PLAN HAS BEEN ESTABLISHED TO ASSURE COORDINATED RESPONSE TO ANY INCIDENT. WASHINGTON STATE HAS IMPOSED MANDATORY RESTRICTIONS REQUIRING PILOTAGE AND LIMITING THE SIZE OF TANKERS WHICH MAY ENTER THE INNER STRAIT.

33. THERE MAY WELL BE MORE THAT CAN BE DONE, AND BOTH CANADA AND THE UNITED STATES ARE LOOKING AT FURTHER PROPOSALS (WHICH ONES?)

34. AT THE SAME TIME, IT IS IMPORTANT TO NOTE THAT JUAN DE FUCA IS NOT A ONE-WAY STREET. DURING THE ENERGY CRISIS LARGE AMOUNTS OF WESTERN CANADIAN OIL WERE SHIPPED THROUGH THE STRAIT BOUND FOR THE PORTLAND MAINE PIPELINE TO MEET THE NEEDS OF EASTERN CANADA. THIS POSED AN INCREASED THREAT TO OUR COASTS AND WATERS, BUT ONE THAT WE DEEMED ACCEPTABLE AS GOOD NEIGHBORS IN A TIME OF MUTUAL LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 OTTAWA 03736 02 OF 04 170010Z

CRISIS.

35. AIR POLLUTION IS THE THIRD AREA OF CONCERN. EACH OF OUR GREAT CITIES IS THREATENED BY CAR EXHAUSTS; MOST BY THE SULFUR-BEARING SMOKE FROM POWER GENERATION. MANY COMMUNITIES MUST WORRY ABOUT ACID RAIN, CAUSED BY EMISSIONS OF SULFUR AND SUCH BYPRODUCTS OF SMELTING AS LEAD AND ZINC. INCREASINGLY THERE IS CONCERN ABOUT FERTILIZERS.

36. WE EXPECT TO MAKE MAJOR PROGRESS AGAINST AIR POLLUTION IN THE UNITED STATES IN THE NEXT ----- YEARS. TOXIC CAR EMISSIONS MUST NOW BY LAW BE REDUCED BY ----- PERCENT IN THIS PERIOD. MEANWHILE, NO NEW COAL OR OIL FIRED POWER PLANT CAN BE BUILT UNLESS IT IS EQUIPPED WITH SCRUBBERS TO BRING SULFUR EMISSIONS DOWN TO ACCEPTABLE LEVELS. RETROFITTING OF EXISTING POWER PLANTS TO MEET THE NEW STANDARDS (IS NOW REQUIRED OVER ----- YEARS) (IS BEING ENCOURAGED BY TAX INCENTIVES) (OTHER APPROPRIATE PHRASE). OUR CURRENT FORECAST IS

THAT ALL OF THE MAJOR CITIES WITHIN 200 MILES OF THE BORDER WILL REACH THE NEW STANDARDS OF AIR QUALITY SET BY LAW BY ----- (GET FORECAST FROM EPA).

37. CANADA, TOO, HAS BEEN MAKING PROGRESS IN CONTROLLING AIR POLLUTION BUT, AGAIN, CANADA'S CLEAN AIR ACT DOES NOT PROVIDE A STRONG LAW TO DEAL WITH POLLUTERS. YOUR FEDERAL GOVERNMENT MAY TAKE AFTER INDUSTRIAL POLLUTERS ONLY WHEN THERE IS A SERIOUS PROBLEM OF HEALTH SUCH AS TRACE METALS. BUT ONE OF THE BIGGEST POLLUTANTS IS SULPHUR WHICH DOES NOT HAVE A HEALTH EFFECT. THEREFORE, TO CLEAN UP SULPHUR DIOXIDE EMISSIONS AND THE LIKE, THE CANADIAN GOVERNMENT MUST EITHER NEGOTIATE WITH INDUSTRY OR WORK THROUGH PROVINCIAL LAW.

38. OUR GREATEST COMMON PROBLEM EXISTS IN THE DETROIT-WINDSOR INDUSTRIAL AREA. THE STATE OF MICHIGAN AND PROVINCE OF ONTARIO HAVE WORKED VERY CLOSELY TOGETHER SINCE SIGNING A MEMORANDUM OF UNDERSTANDING IN 1974. THAT MEMORANDUM PLEDGED THEIR COOPERATION IN IMPLEMENTING AIR POLLUTION CONTROL PROGRAMS, TO BE COMPLETED BY THE LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 05 OTTAWA 03736 02 OF 04 170010Z

END OF 1978, TO ACHIEVE THE RECOMMENDED AIR QUALITY OBJECTIVES.

39. BECAUSE OF PREVAILING WINDS AND THE GEOGRAPHIC LOCATION OF CITIES ON THE BORDER, THE U.S. HAS CAUSED MORE AIRBORNE POLLUTION IN CANADA THAN THE OTHER WAY AROUND. WE RECOGNIZE THAT AND ARE MAKING A PROPORTIONATELY GREATER EFFORT TO CLEAN IT UP. BUT AIR POLLUTION IS NOT BY ANY MEANS A ONE-WAY STREET. IN FACT, IT WAS THE LANDMARK TRAIL SMELTER CASE, HERE IN B.C., WHERE CANADIAN SMOKESTACK EMISSIONS WERE POLLUTING THE AMERICAN ENVIRONMENT, WHICH ESTABLISHED THE INTERNATIONAL PRINCIPLE OF A POLLUTER'S LIABILITY FOR POLLUTION DAMAGE.

40. THOSE THEN ARE THE MAIN PROBLEMS WE FACE. WHAT ARE THE MECHANISMS AVAILABLE TO US TO HANDLE THEM?

41. IN THE U.S. THE ENVIRONMENTAL IMPACT ASSESSMENT SYSTEM IS KEY. IT REQUIRES A FULL EXAMINATION IN ADVANCE OF ALL MAJOR FEDERAL DEVELOPMENTS WHICH CAN HAVE A SIGNIFICANT IMPACT ON THE HUMAN ENVIRONMENT BEFORE DEVELOPMENT CAN OCCUR. THE PROCESS IS OPEN AND PUBLIC AND HAS AMPLE SAFEGUARDS FOR THE INTERESTS OF THOSE CONCERNED. THIS SYSTEM ALLOWS CANADA AN EXCELLENT OPPORTUNITY TO IDENTIFY POTENTIAL TRANS-BOUNDARY IMPACTS OF U.S. DEVELOPMENT ACTIVITIES AT AN EARLY STAGE.

42. CANADA HAS A SIMILAR ASSESSMENT PROCEDURE FOR SOME

PROJECTS HAVING ENVIRONMENTAL IMPACT, BUT COVERAGE IS MUCH LESS THAN IN THE STATES. IT IS REQUIRED PRIMARILY WHEN FEDERAL FUNDS ARE SPENT. I UNDERSTAND THAT THERE ARE EFFORTS TO STRENGTHEN THE PROCEDURE AND TO REQUIRE REPORTS ON A WIDE RANGE OF PROJECTS. WE WOULD WELCOME THE IMPROVED FOREWARNING A STRENGTHENED CANADIAN ASSESSMENT PROCEDURE WOULD OFFER.

43. THE UNITED STATES HAS PROPOSED TO BIND THE TWO ASSESSMENT PROCEDURES TOGETHER BY A SYSTEM OF QUARTERLY NOTIFICATION OF PROJECTS WITH POTENTIAL CROSS-BORDER IMPACT SUBMITTED IN EACH COUNTRY FOR ENVIRONMENTAL REVIEW.

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 06 OTTAWA 03736 02 OF 04 170010Z

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 03736 03 OF 04 170017Z

67
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEQ-01 CIAE-00 ERDA-05 COME-00

DODE-00 EB-07 EPA-01 INR-07 IO-13 L-03 NSF-01 NSC-05

NSAE-00 PM-04 USIA-06 OES-06 SS-15 SP-02 INT-05 FEA-01

PA-01 PRS-01 /102 W

----- 031375

P 162216Z SEP 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 1079

LIMITED OFFICIAL USE SECTION 3 OF 4 OTTAWA 3736

44. CONSULTATION IS THE NEXT PRACTICE THAT CAN HELP US. THE CONCEPT WAS FIRST PUT FORWARD BY THE CANADIAN FOREIGN MINISTER ON JANUARY 23, 1975. INITIALLY IT MEANT CONSULTATION AT SOME STAGE OF DEVELOPMENT. BUT IN RECENT CASES THE IDEA HAS EMERGED OF CONSULTING IN ADVANCE OF ACTIONS THAT CAUSE POLLUTION IN THE OTHER COUNTRY. WE HOPE THIS WILL NOW BE THE NORM.

45. NEGOTIATION OF JOINT AGREEMENTS TO HANDLE SPECIFIC PROBLEMS CAN ALSO HELP. THESE CAN BE AS ELABORATE AS THE GREAT LAKES WATER QUALITY AGREEMENT OR AS LOCAL AS THE DETROIT-WINDSOR AIR POLLUTION MEMORANDUM OF UNDERSTANDING. THE ADVANTAGE OF THIS APPROACH IS THAT THE TWO

GOVERNMENTS CAN WORK OUT ACCEPTED, VERIFIABLE COALS AND FIRM RESOURCE COMMITMENTS. THIS APPROACH CAN ALSO MAKE IT EASIER FOR EACH GOVERNMENT TO OBTAIN THE REQUIRED APPROPRIATION. THE GRANDFATHER OF ALL THESE AGREEMENTS, OF COURSE, IS THE 1909 BOUNDARY WATER TREATY WHICH COMMITTED BOTH OF US NOT TO POLLUTE THE OTHER TO THE INJURY OF HEALTH AND PROPERTY.

46. ANOTHER STRATEGY IS MULTILATERAL AGREEMENT ON POLLUTION PROBLEMS, NOTABLY IN THE CURRENT LAW OF THE LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 OTTAWA 03736 03 OF 04 170017Z

SEA NEGOTIATIONS. SOME PROBLEMS, LIKE VESSEL SOURCE POLLUTION, CAN ONLY BE SOLVED BY MULTILATERAL AGREEMENT. SOME MINIMUM INTERNATIONAL STANDARDS SHOULD ALSO EXIST FOR EXPLORATION AND EXPLOITATION OF THE CONTINENTAL SHELF. THE PROPOSED INTERNATIONAL SEABED AUTHORITY SHOULD HAVE THE RESPONSIBILITY FOR PRESCRIBING AND ENFORCING ANTI-POLLUTION EFFORTS IN ITS AREA OF OPERATION. THE UNITED STATES ALSO BELIEVES THAT THE SOLUTION TO THE SPECIAL PROBLEMS OF ARCTIC POLLUTION CAN ONLY BE FOUND IN THE LAW OF THE SEA NEGOTIATIONS.

47. FOR ALL OF THESE REASONS, IT IS VITAL TO BREAK THE DEADLOCK IN NEW YORK AND GET ON WITH THE LAW OF THE SEA TREATY.

48. A FINAL AND OFTEN THE MOST EFFECTIVE MEANS OF DEALING WITH BILATERAL POLLUTION PROBLEMS IS OUR SHARED INSTITUTIONS. THE INTERNATIONAL JOINT COMMISSION, CREATED WITH GREAT FORESIGHT BY THE DRAFTERS OF THE BOUNDARY WATERS TREATY OF 1909, OFFERS AN EXCELLENT MECHANISM TO HANDLE TRANS-BORDER POLLUTION PROBLEMS. ITS STRENGTH LIES IN ITS EQUALITY OF REPRESENTATION. IN ITS IMPARTIALITY AND IN ITS BASIS IN LAW. IT HAS BEEN CHARGED WITH MONITORING THE PERFORMANCE OF GOVERNMENTS UNDER THE TERMS OF THE GREAT LAKES WATER QUALITY AGREEMENT, IT REGULATES WATER FLOWS, IT ADVISES THE GOVERNMENTS ON MATTERS RELATING TO AIR QUALITY, IT SEEKS TO CONTROL FLOODING SITUATIONS. IT IS A UNIQUE EXAMPLE OF HOW TWO COUNTRIES HAVE WORKED TOGETHER TO HANDLE A JOINT PROBLEM.

49. AS YOU CAN SEE, THERE IS ALREADY A LOT THAT WE ARE DOING TOGETHER TO PROTECT OUR ENVIRONMENTS. BUT WE CAN AND SHOULD DO MORE.

50. FIRST, WE CAN DO MORE TO INSURE THAT OUR FUTURE ENVIRONMENTAL STANDARDS ARE COORDINATED. WHETHER IT'S AEROSOLS, PCB'S, FERTILIZERS, DETERGENTS, AUTO EMISSIONS, YOU GET A LOT LESS PROTECTION WHEN ONE COUNTRY IMPOSES

STANDARDS AND THE OTHER DOESN'T. WHERE POLLUTION CONTROLS
MAY AFFECT A COUNTRY'S ABILITY TO COMPETE INTERNATIONALLY,
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 OTTAWA 03736 03 OF 04 170017Z

AS IN PCB'S OR AEROSOLS, AGREEMENT ON PARALLEL STANDARDS
CAN HELP EACH OF US GET THE NEEDED ACTION. OUR EXPERIENCE
WITH THE GREAT LAKES AND WITH COASTAL POLLUTION SHOWS
HOW UNCOORDINATED APPROACHES CAN HAMPER PROGRESS IN
BOTH SITES. IT OF COURSE REMAINS TRUE THAT THERE CAN
BE NO OBLIGATION TO IMPLEMENT SIMILAR STANDARDS. WHERE IT
THINKS IT MUST, EACH COUNTRY WILL ACT ON ITS OWN, AS
YOU DID IN DETERGENTS AND WE DID IN USING A PERMIT
SYSTEM TO ENFORCE OUR LAWS.

51. A PRACTICE HAS GROWN UP OF CLOSE COORDINATION
BETWEEN OUR ENVIRONMENT PROTECTION AGENCIES WITH
MEETINGS AT MINISTERIAL LEVEL AT LEAST ONCE A YEAR TO
SET POLICY. WE SHOULD USE THESE PROCEDURES VIGOROUSLY
TO COORDINATE STANDARDS.

52. SECOND, WE SHOULD DEVELOP OUR MUTUAL COVERAGE OF
LIABILITY FOR DAMAGES. THE "POLLUTER PAYS" PRINCIPLE
IS WIDELY ESTABLISHED, BUT REQUIRES LONG AND COSTLY
NEGOTIATION TO PURSUE. THE U.S. IS NOW CONSIDERING
LEGISLATION TO PROVIDE A COMPREHENSIVE OIL-SPILL
CONTINGENCY FUND WHICH WOULD ASSURE PROMPT AND ADEQUATE
COMPENSATION FOR INJURED PARTIES. ONE QUESTION WE ARE
ASKING OURSELVES IS WHETHER FOREIGN CLAIMANTS SHOULD
BE GIVEN ACCESS TO THE FUND, IF NO RECIPROCAL PRIVILEGES
ARE EXTENDED. CANADA AND THE UNITED STATES SHOULD
CONSIDER WHETHER A JOINT OR RECIPROCAL APPROACH
SHOULD NOT BE ADOPTED TO ASSURE THAT NATIONALITY DOES NOT
INTERFERE WITH PROMPT AND ADEQUATE COMPENSATION OF PEOPLE
WHO ARE INJURED BY A SPILL.

53. THIRD, WE CAN PERFECT OUR BILATERAL INSTITUTIONS.
THE INTERNATIONAL JOINT COMMISSION HAS A MULTIPLICITY
OF MANDATES WHICH ARE OFTEN NOT CONSISTENT. ON CERTAIN
WATERS THE COMMISSION HAS THE POWER TO RECOMMEND EQUITABLE
APPORTIONMENTS TO HELP WATER USERS IN BOTH COUNTRIES, IN
OTHER BODIES OF WATER THE COMMISSION HAS THE POWER TO
LOOK INTO WATER POLLUTION QUESTIONS. ON SOME RIVERS
IT HAS NEITHER, ON SOME BOTH.

54. WOULDN'T IT BE IN BOTH OUR INTERESTS TO EXPLORE A
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 OTTAWA 03736 03 OF 04 170017Z

MORE DEFINED STRUCTURE FOR THE COMMISSION'S BOARDS.

THE COMMISSION MIGHT, FOR SAMPLE, PLAY A SUPERVISORY ROLE OVER A SERIES OF INTERNATIONAL RIVER BOARDS WHICH WOULD HAVE POWERS OF RECOMMENDATION ON SHARED WATERS FOR BOTH POLLUTION AND USE QUESTIONS. SIMILARLY, IT MIGHT BE USEFUL FOR GOVERNMENTS TO CONSIDER THE POSSIBILITY OF WIDENING THE COMMISSION'S POWERS WITH RESPECT TO CONTROL OF DAMS AND OTHER STRUCTURES WHICH HAVE TRANS-BOUNDARY IMPACTS. I BELIEVE THAT THESE CHANGES COULD BE MADE UNDER THE 1909 BOUNDARY WATERS TREATY WITHOUT AMENDMENT. (ANY OTHER PROPOSALS).

55. IN THE END, THE VALIDITY OF ANY GENERAL APPROACH LIES IN THE RESULTS IT GIVES IN SPECIFIC CASES. I SHOULD MENTION FOUR HERE.

56. FIRST, ROSS DAM. THE US FEDERAL POWER COMMISSION WILL SHORTLY BE RULING ON THE CITY OF SEATTLE'S APPLICATION TO RAISE THE DAM. IN ITS PRELIMINARY REPORT, THE COMMISSION NOTED THAT THE DAM WOULD BE THE MOST ENVIRONMENTALLY RESPONSIBLE METHOD OF PROVIDING NEEDED POWER TO SEATTLE. LIKEWISE, THE INTERNATIONAL JOINT COMMISSION'S ENVIRONMENTAL AND ECOLOGICAL ASSESSMENT OF THE DAM INDICATED AND I QUOTE: "THAT THE PRESENT CHARACTERISTICS OF THE ENVIRONMENT WOULD BE CHANGED, BUT THAT THE NEW ENVIRONMENT WOULD RETAIN MANY OF THE FORMER CHARACTERISTICS. THOSE WHO USE THE VALLEY IN ITS PRESENT STATE WOULD INVARIABLY SUFFER SOMEWHAT, ALTHOUGH OTHER PEOPLE WOULD FIND THE NEW ENVIRONMENT AT LEAST AS PLEASANT. MEASURED EITHER BY THE AMOUNT OF USE OR WEIGHED BY DOLLAR VALUES, THE OVERALL IMPACT OF CHANGES IN THE TOTAL ENVIRONMENT IS NOT SIGNIFICANTLY LARGE."

57. AS YOU KNOW, THE INTERNATIONAL JOINT COMMISSION APPROVED SEATTLE'S APPLICATION TO RAISE THE DAM SOME TIME AGO, AND THE CITY OF SEATTLE HAS HAD A VALID AGREEMENT WITH BRITISH COLUMBIA FOR COMPENSATION AS REQUIRED BY THE COMMISSION'S ORDERS OF APPROVAL. SEATTLE'S PRIMARY INTEREST IS IN ASSURING A DEPENDABLE FUTURE POWER SUPPLY, A SITUATION WHICH HAS BEEN MADE MORE DIFFICULT BY REDUCED ENERGY SHIPMENTS FROM CANADA. I AM HOPEFUL
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 05 OTTAWA 03736 03 OF 04 170017Z

THAT WE CAN REACH A PROMPT AND BALANCED SOLUTION TO THIS MATTER.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 03736 04 OF 04 170031Z

67

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEQ-01 CIAE-00 ERDA-05 COME-00

DODE-00 EB-07 EPA-01 INR-07 IO-13 L-03 NSF-01 NSC-05

NSAE-00 PM-04 USIA-06 OES-06 SS-15 SP-02 INT-05 FEA-01

PA-01 PRS-01 /102 W

----- 031803

P 162216Z SEP 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 1080

LIMITED OFFICIAL USE SECTION 4 OF 4 OTTAWA 3736

58. SECOND, TRANSMISSION OF ALASKAN OIL. THREE PROJECTS INTRODUCING NORTH SLOPE OIL WITH THE WEST COAST OF THE UNITED STATES HAVE BEEN PUT FORWARD: INTO SOUTHERN CALIFORNIA, AND BY OVERUSED GAS PIPELINE TO THE SOUTH CENTER; INTO PUGET SOUND AND BY PIPELINE TO THE MIDWEST; AND INTO KITIMAT AND BY PIPELINE TO THE PACIFIC NORTHWEST AND MIDWEST. THESE PROJECTS ARE NOT NECESSARILY ALTERNATIVES. EACH HAS ITS ENVIRONMENTAL DANGERS. KITIMAT WOULD RISK POLLUTION IN THAT AREA, BUT LESSEN THE RISK OF POLLUTION BY LOWERING TRAFFIC IN THE PUGET SOUND. THERE ARE ALSO THE PROBLEMS OF PIPELINE CONSTRUCTION. WASHINGTON IS NOW BEGINNING CONSIDERATION OF THE ALTERNATIVES (ECON GET ILLUSTRATIVE TIMETABLE, WITH MAIN PLAYERS IDENTIFIED). WE WISH TO CONSULT CLOSELY WITH CANADA BEFORE REACHING A DECISION.

59. THIRD, THE BEAUFORT SEA. YOU ARE DRILLING THERE AND WE WILL PROBABLY WANT TO DRILL FOR OIL IN THAT AREA SOME DAY TOO. WE WANT TO BE SURE THAT THE BEST TECHNOLOGY IS USED, THAT THE TECHNOLOGY WORKS, THAT FULL PROTECTION IS PROVIDED FOR THE NATIVE PEOPLES, FOR THE ENVIRONMENT AND FOR WILDLIFE. THUS, WE ARE VERY INTERESTED IN CANADA'S EFFORTS TO DISCOVER OIL IN THE BEAUFORT SEA.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 03736 04 OF 04 170031Z

60. BUT THERE CAN BE NO DOUBT THAT THIS SEASON'S DRILLING PROGRAM POSES A POTENTIAL THREAT TO THE ENVIRONMENT OF THE NORTH SLOPE OF ALASKA, AS WELL AS TO CANADIAN WATERS AND SHORES. BOTH GOVERNMENTS HAVE ATTEMPTED TO ASSURE THAT THIS POTENTIAL THREAT IS MINIMAL, DEVELOPING CONTINGENCY SPILL PLANNING AND LIABILITY ARRANGEMENTS.

61. BUT FRANKLY, WHEN WE VIEW THE GREAT LEAD TIME GIVEN

TO CANADA BY THE U.S. TO COMMENT AND STUDY THE ENTIRE ALYESKA PROPOSAL, AND WHEN WE NOTE THE LARGE SIZE, THE OPENNESS AND THE AVAILABILITY OF THE U.S. LIABILITY FUND TO CANADIAN CLAIMANTS, WE HAVE BEEN DISAPPOINTED BY THE SHORT ADVANCE NOTICE WITH WHICH THE ENTIRE BEAUFORT SEA QUESTION EMERGED. AND WITH THE PROPOSED RELATIVELY MODEST WAY U.S. CLAIMANTS WOULD BE HANDLED SHOULD THEY HAVE CAUSE FOR SUIT FOR DAMAGES IN ALASKA. WE HOPE THIS CAN BE WORKED OUT.

62. FOURTH. GAS PIPELINES. THREE ROUTES ARE UNDER CONSIDERATION AND CERTAINLY ONE OF THE PRIME CONCERNS IS THAT WHICHEVER ROUTE IS SELECTED, IT BE THE ONE WHICH IS SAFEST. AND THEY HAVE DIFFERENT ENVIRONMENT EFFECTS. THE ALASKA LNG ROUTE WOULD INCREASE HYDROCARBON TRAFFIC OFF BRITISH COLUMBIA. THE MACKENZIE VALLEY ROUTE WOULD CROSS THE ALASKA WILD LIEFE RANGE AND STIMULATE DEVELOPMENT IN THE NORTHERN TERRITORIES. THE ALCAN ROUTE WOULD RESULT IN MORE CONSTRUCTION IN THE NORTH THAN THE OTHER TWO.

63. LEGISLATION GOVERNING THE DECISION PROCESS FOR SELECTION AND APPROVAL OF A GAS PIPELINE ROUTE IS NOW BEFORE CONGRESS. WHEN/IF PASSED THIS LEGISLATION WOULD REQUIRE THAT THE FEDERAL POWER COMMISSION COMPLETE ITS HEARINGS AND MAKE A RECOMMENDATION TO THE PRESIDENT BY MARCH 1, 1977. OTHER FEDERAL AGENCIES, GOVERNORS OF STATES, STATE UTILITY COMMISSIONS, MUNICIPALITIES, OR ANY INTERESTED PERSON MAY SUBMIT A REPORT TO THE PRESIDENT COMMENTING ON THE FPC RECOMMENDATION UNTIL APRIL 1, 1977. THE PRESIDENT THEN MUST MAKE LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 OTTAWA 03736 04 OF 04 170031Z

A DECISION BY JULY 1, 1977 APPROVING WHICH, IF ANY, OF THE PROPOSED PROJECTS WILL BE CONSTRUCTED. THE PRESIDENT'S DECISION IS THEN SUBMITTED TO THE CONGRESS FOR REVIEW AND BECOMES FINAL WITHIN 60 DAYS UNLESS EITHER THE HOUSE OR SENATE PASSES A RESOLUTION OPPOSING THE PRESIDENT'S DECISION. THE PRESIDENT MUST THEN WITHIN 30 DAYS SUBMIT A NEW DECISION TO CONGRESS WHICH IS SUBJECT TO THE SAME TERMS OF APPROVAL BY CONGRESS AS THE PREVIOUS ONE.

64. FOR THOSE ROUTES WHICH TRAVERSE CANADA, THERE HAS BEEN EXTENSIVE STUDY, THROUGH THE BERGER HEARINGS, OF THE IMPACT SUCH CONSTRUCTION ACTIVITY WOULD HAVE UPON NATIVE PEOPLES AND THE ENVIRONMENT. IN FACT, THE LAST OF THE ROUTES TO BE PROPOSED, THE SO-CALLED ALCAN ROUTE, WAS IN PART A RESPONSE TO SUGGESTIONS BY JUSTICE BERGER THAT IT WARRANTED FURTHER STUDY. ADDITIONALLY, THE NATIONAL ENERGY BOARD IS HOLDING HEARINGS IN THE

AREA AND ON THE U.S. SIDE HEARINGS ARE BEING HELD AS WELL. THE UNITED STATES IS MOVING TOWARDS A DECISION BETWEEN ROUTES NO LATER THAN LATE SUMMER NEXT YEAR. HERE AGAIN WE WANT THE CLOSEST CONSULTATION IN ADVANCE WITH CANADA.

65. NO APPROACH TO OUR ENVIRONMENT CAN WORK UNLESS IT IS APPLIED WITH SENSITIVITY AND UNDERSTANDING.

6. WE MUST RECOGNIZE THAT THERE ARE ENVIRONMENTAL PROBLEMS ALL UP AND DOWN THE BORDER, SOME CAUSED BY THE STATES, SOME BY CANADA, SOME JOINTLY CAUSED. YET NO PROGRESS CAN BE MADE IF WE TRY TO TRADE THEM OFF, BY LINKING ONE PROBLEM TO THE OTHER.

67. EACH PROBLEM HAS TO BE CONSIDERED ON ITS MERITS AND SETTLED ACCORDINGLY, BUT ONLY IF ALL COMMUNITIES, NOT JUST THOSE THAT HAPPEN TO HAVE A PROBLEM NOW, ARE ENGAGED IN ACTION TO IMPROVE THE ENVIRONMENT, WILL WE BE ABLE TO MAKE HEADWAY.

68. WE MUST EACH RESPECT YOUR WISH AND OURS TO BE MASTERS IN OUR OWN HOUSES, TO FORMULATE AND EXECUTE OUR OWN LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 OTTAWA 03736 04 OF 04 170031Z

POLICIES, TO PROTECT OUR OWN ENVIRONMENTS. YET WE MUST RECOGNIZE THAT OFTEN INTERESTS AND COALITIONS WILL CUT ACROSS NATIONAL LINES, AND THAT WE HAVE A MAJOR INTEREST IN PARALLEL IMPLEMENTATION STANDARDS.

69. THIS DOES NOT MEAN THAT WE SHOULD ADOPT A "CONTINENTAL" ENVIRONMENT POLICY, DISTRIBUTING BENEFITS AND COSTS ACCORDING TO SOME ABSTRACT FORMULA, AS IF THE BORDER WERE NOT THERE. THAT WOULD VIOLATE WHAT THE RELATIONS BETWEEN CANADA AND THE U.S. ARE ABOUT. IT DOES MEAN THAT WE SHOULD MAKE EVERY EFFORT TO COORDINATE OUR SEPARATE POLICIES.

70. ALTHOUGH TO SOME THERE CAN BE NO COMPROMISE OF ENVIRONMENT DEMANDS, MOST PEOPLE IN BOTH OUR COUNTRIES WANT TO BALANCE THEM OFF WITH THE CLAIMS OF JOBS AND DEVELOPMENT. BUT WE MUST RECOGNIZE THAT THE SCOPE FOR SUCH TRADE-OFFS IS LESS ACROSS THE BORDER, WHERE THE SENSITIVITIES OF NEIGHBORS IS AT RISK, THAN IN OUR DOMESTIC AFFAIRS.

71. THIS DOESN'T MEAN THAT WE MUST CANCEL ANY DEVELOPMENT THAT MIGHT UNDER SOME CONCEIVABLE CIRCUMSTANCES HARM THE ENVIRONMENT OF THE OTHER COUNTRY. THAT WOULD CONDEMN LARGE SECTIONS OF BOTH COUNTRIES TO A NO-GROWTH SITUATION. IT DOES MEAN THAT WE TAKE SPECIAL PRECAUTIONS IN BORDER SITUATIONS TO CONSULT FULLY IN ADVANCE ALL THESE

POTENTIALLY AFFECTED; TO BUILD IN AVAILABLE PROTECTIVE DEVICES, SOMETIMES BEYOND THOSE NORMALLY REQUIRED; TO PROVIDE WHERE APPROPRIATE EFFECTIVE CONTINGENCY PLANNING AND GENEROUS LIABILITY ARRANGEMENTS.

72. ENVIRONMENT AFFAIRS ARE ONE OF THE SECTORS WHERE THE NEW SYMMETRY IN CANADIAN-AMERICAN RELATIONS SHOWS CLEARLY. EACH OF US WISHES TO DEVELOP OUR OWN ENVIRONMENTAL POLICY, SEPARATE FROM THE OTHER, WITH SEPARATE INSTITUTIONS. YET THERE IS A MAJOR PENALTY -- EQUAL TO BOTH SIDES -- IF WE DEVELOP IN WAYS INCOMPATIBLE TO THE OTHER COUNTRY.

73. IN THE PAST WE BOTH HAVE FOUGHT WITH NATURE, BEEN PRODIGAL WITH IT, WASTED IT. NOW WE MUST PROTECT IT, RENURTURE IT, IN SOME PLACES RECREATE IT. WE CAN ONLY LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 05 OTTAWA 03736 04 OF 04 170031Z

SUCCEED, IF WE DO THIS TOGETHER.

74. OUR GOAL SHOULD BE, AS FAR AS THE ENVIRONMENT IS CONCERNED, TO MAKE OURS "THE LONGEST EFFECTIVELY BEGIN UNDERLINE DEFENDED END UNDERLINE BORDER IN THE WORLD."

75. THANK YOU. END TEXT.
ENDERS

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: Z
Capture Date: 16 SEP 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 16 SEP 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976OTTAWA03736
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197609108/baaalenlb.tel
Line Count: 626
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: ONLY
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 13 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 APR 2004 by greeneet>; APPROVED <14 APR 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: n/a
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006